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NRO REVIEW COMPLETED

[redacted] 8838-69
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24 March 1969

MEMORANDUM FOR: See Distribution

SUBJECT : FY 1970/FY 1971 NRO Budget.

Attached hereto is a draft of the proposed NRO Budget for the fiscal years in question. It is requested that each addressee review the attached draft, covering his areas of primary interest, and provide comments to Budget & Finance Division, Comptroller OSA prior to close of business on 28 March 1969. Questions regarding this Budget preparation may be addressed to [redacted]

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Attachment:

As stated above.

Comptroller
Office of Special Activities

B&FD/Compt/OSA, [redacted]

(24 March 69)

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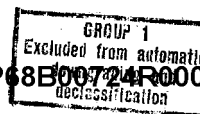
MEMORANDUM FOR THE RECORD


SUBJECT: Reprogramming of NRO Funds

Under the original NRO organization, the aircraft programs were separated into Program B (OSA) and Program D (USAF). Under this organization, the OSA operated directly under the supervision of the NRO; the Director of Special Activities being also the Director of Program B, and AFIGO being Director of Program D. At a later date, the DDS&T appointed, within his directorate, a Director of CIA Reconnaissance Programs, and established a staff at that level, thus eliminating the term Director Program B and making OSA responsive only to direction through DDS&T. Under the initial organization, funding was allocated by OSA to contracts in accordance with OSA requirements. Reprogramming of funds as necessary was performed by OSA under authority delegated from the Director NRO. There were restrictions established by the NRO on reprogramming between certain categories of funding, requiring coordination with the NRO prior to reprogramming between restricted categories. When the DDS&T Director of Reconnaissance was established, OSA retained the administration of contracts, and has to date retained the function of reprogramming of NRO funds within the restrictions handed down by the NRO Comptroller. Each funding approval document from the NRO to OSA contains the statement that the Director of CIA Reconnaissance Programs is authorized to reprogram funds within certain categories. It has been assumed by OSA that that authority remains with OSA and is not to be assumed by the DDS&T. The DDS&T is not staffed to handle reprogramming in the detail or quantity necessary during the course of operation of a complete fiscal year. Further, nothing will be gained by assumption of this responsibility by the DDS&T inasmuch as they could not approve or disapprove of funding changes within the NRO structure but only act as forwarding agents for documentation between the two offices. Our operational programs primarily involve


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support type contracts. In order for OSA to have the flexibility to operate in the face of constantly changing requirements, it is necessary that this function remain with OSA at least at the present level. This allows OSA to be immediately responsive to support requirements and changes thereto throughout its programs. If the reprogramming function were to be transferred to the DDS&T Comptroller, it would mean a vast increase in paper work for both OSA and DDS&T. In order to reprogram funds, a paper would be required by the DDS&T which in turn would be answered by the DDS&T with the reprogramming authority. In addition to the increase in paper work, the result would be a considerable delay in most contractual actions, which could be detrimental to the operations of OSA. It would also involve active management by DDS&T over a program on which they have no funding authority, and would put another middle man in the chain of communications between operational requirements and supporting activities.

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